

INFO	LOG-00	EEB-00	AF-00	AID-00	AMAD-00	ACQ-00	CIAE-00
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	FAAE-00	FBIE-00	VCIE-00	H-00	TEDE-00	INR-00	IO-00
	MOFM-00	MOF-00	CDC-00	VCIE-00	NSAE-00	ISN-00	OMB-00
	NIMA-00	PM-00	GIWI-00	SCT-00	ISNE-00	DOHS-00	FMPC-00
	SP-00	SSO-00	SS-00	TRSE-00	NCTC-00	ASDS-00	CBP-00
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 SECDEF WASHINGTON DC PRIORITY
 JOINT STAFF WASHINGTON DC PRIORITY
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 TAGS: [PGOV](#) [PREL](#) [PTER](#) [MARR](#) [PK](#)
 SUBJECT: STABILIZING AND MODERNIZING PAKISTAN'S MILITARY

Classified By: Anne W. Patterson for reasons 1.4 (b) (d)

¶1. (S) Summary: As the current five-year commitment to provide Pakistan with \$300 million annually in Foreign Military Financing (FMF) ends in FY 2009 and we begin to implement our Afghanistan/Pakistan strategy, Post proposes the establishment of a new, multi-year commitment of FMF for Pakistan. Such a commitment, combined with encouragement toward long-term strategic planning, would stabilize the catch-as-catch-can military procurement that has plagued our efforts to build Pakistan's military capacity.

¶2. (S) Such an approach would ensure both interoperability and strong military-to-military ties thus encouraging Pakistan's trust in the U.S. as an enduring and reliable ally. To secure effective levels of multi-year FMF for Pakistan in addition to other security assistance programs, notably DoD's Pakistan Counterinsurgency Fund (PCF) and State's Pakistan Counterinsurgency Capabilities Fund (PCCF), we must clearly articulate the respective roles of each type of assistance so that we may avoid internal confusion among interagency partners and increase the strength and clarity of our requirements to Administration leaders and the Congress. End Summary.

FMF: FOREIGN POLICY TOOL FOR LONG-TERM STABILITY

¶3. (S) FMF is and should continue to be the foundation of the U.S.-Pakistan security relationship. By building a viable security relationship which focuses on the long-term interests of both nations, FMF is designed to build trust and enhance long-term U.S.-Pakistan ties. FMF is a critical component of our broader policy towards Pakistan, which calls for long-term strategic planning by our security partners and the maintenance of Pakistan as a reliable ally beyond the immediate insurgent and terrorist threat. Consistent, multi-year FMF can help the U.S. to encourage the Pakistan military to engage in strategic planning, transforming their assets from bargain basement sale items to a fully integrated modern military that is a reliable and interoperable U.S. regional ally.

PCF AND PCCF: MEETING SHORT-TERM COIN/CT NEEDS

¶4. (S) PCF and PCCF, on the other hand, are temporary authorizations necessary to address Pakistan's immediate

counterinsurgency and counterterrorism requirements. Those programs target specific Pakistan military shortcomings in ending the current insurgency in the Federally Administered Tribal Areas (FATA), Northwest Frontier Province (NWFP) and Balochistan, as well as reducing the freedom of movement of international terrorist organizations. In addition, PCF and PCCF are largely directed by the U.S., which makes them ill-suited to filling the confidence-building roles filled by FMF.

GOP SECURITY CONCERNS

15. (S) It is important to acknowledge all of Pakistan's security concerns - both the insurgency along the Western border as well as the threat from India. As a sovereign state, the GOP provides for the national defense of Pakistan against those threats. Because Pakistan's concerns do not always align with those of the USG, we created specific programs to persuade the GOP to address issues we deem more urgent - directing money via the PCF and PCCF at the counterinsurgency capabilities of the Army and Frontier Corps to enable them to directly address those threats. However, the U.S. must simultaneously stabilize and strengthen Pakistan's military overall to ensure that the GOP remains a reliable U.S. ally. By recognizing all of Pakistan's security concerns, we enhance U.S.-Pakistan bilateral relations, which are critical in both the short and long-term. More substantially, enhancing Pakistan's overall defense posture would help reduce regional tensions by lessening Pakistan's perceived need to use asymmetric methods to counter regional threats and reduce Pakistan's sense of inferiority vis--vis India. For these reasons our FMF money is and should continue to be directed towards all services and toward conventional as well as counterinsurgency capabilities.

16. (S) An additional issue in the U.S.-GOP relationship is the widespread Pakistani suspicion of U.S. motives in the region as well as, counter-intuitively, their fear of abandonment by the U.S. The GOP recalls that the end of the Soviet occupation of Afghanistan resulted in disengagement and fears a similar cessation of support following what they view as a potential Coalition withdrawal from Afghanistan. A multi-year commitment of FMF will help assuage those fears by demonstrating a long-term U.S. commitment that goes beyond our immediate counter-terrorism and Afghanistan-related objectives. FMF is critical in allowing the Pakistan military to feel secure about their national defense and their relationship with the U.S.

OTHER REGIONAL POWERS

17. (S) The U.S. must remain cognizant to competing regional players, specifically China, which would step into any perceived gap. China has and will continue to provide ships, aircraft, tanks and weapons to the Pakistan military.

IMPLEMENTATION: CONTINUING PAST PRACTICE

18. (S) If the Administration decides to make a multi-year FMF commitment to Pakistan, it may choose to implement Pakistan's FMF in the same manner in which it is currently implemented. Currently, Pakistan's Joint Staff develops spend plans and divides Pakistan's annual FMF allocation among its Army, Navy, and Air Force to support a wide variety of equipment and services that may or may not be in accordance with our mutually shared objectives. To justify this approach however, we need to tangibly demonstrate to key stakeholders (including Congress) what foreign policy objectives the U.S. has achieved over the past years from implementing FMF in this manner and what objectives we expect to achieve by continuing this practice. FMF has and would likely continue to undergird Pakistan's continued acceptance of U.S. trainers and other assets inside Pakistan, support for trilateral initiatives aimed at border security, and

participation in international exercises and UN peacekeeping missions.

CASH-FLOW FINANCING

¶9. (S) Principals have discussed the possibility of reauthorizing a multi-year FMF package for Pakistan with consideration for cash-flow financing, which would enable the GOP to acquire defense articles and services in advance of having the full amount of funding necessary to complete a contract. Such financing would make a multi-year FMF commitment even more effective in meeting the objectives described above. However, any serious Congressional contemplation of this matter would likely need to be accompanied by an accord or agreement by the GOP with India to reduce regional tensions.

¶10. (S) In the absence of such an accord, we could consider offering the GOP a multi-year FMF Presidential commitment. The GOP would be encouraged to coordinate the expenditure of the FMF with US-directed PCF and PCCF spending, balancing long term upgrading of the Pakistan military through recapitalization, modernization and acquisition of long-term, long-lead time items, with the immediate COIN/CT needs in NWFP, FATA, and Balochistan.

¶11. (S) With or without cash-flow financing, FMF) in addition to PCF and PCCF - remains critical to continuing U.S. influence in Pakistan and the region. If the military and government of Pakistan are satisfied with their national defense posture, then it is less likely to engage in asymmetrical warfare to counter what it perceives to be hostile Indian policies and activities both along its eastern border as well as in Afghanistan.

PATTERSON